

**REMARKS**

In a final office action dated August 9, 2004, the Examiner rejected claims 1-9 under 35 U.S.C. 101 as directed to non-statutory subject matter; rejected claims 21-31 under 35 U.S.C. 112, second paragraph as being indefinite; rejected claims 1-8, 21-25 and 27-30 under 35 U.S.C. 103(a) as obvious over “InterLotto launches first online scratch cards; Alpine Cash the latest game offering from popular Internet Lottery” (herein *Interlotto*) in view of Jaffe, “Beware Charity Season Scams” (herein *Jaffe*); rejected claim 6 under 35 U.S.C. §103(a) as unpatentable over *Interlotto* and *Jaffe*, and further in view of Torango (US 2003/00600279); and rejected claims 9, 26 and 31 under 35 U.S.C. §103(a) as unpatentable over *Interlotto* and *Jaffe*, and further in view of Ziarno (US 6,253,998).

***Patentable Subject Matter***

Applicant respectfully traverses the rejection of claims 1-9 under 35 U.S.C. 101. Claim 1 recites concrete method steps performed by a machine, specifically an “automated gaming system”. As is well known, such a machine is typically a digital computer executing a suitable gaming program. Step 1 recites prompting the user with a gaming option “in an automated gaming system”. This is necessarily a machine-executed step, which typically involves displaying some information about available options on a display screen, and receiving a user input on an input device of the automated gaming system. The other steps are similarly performed by the machine. In the context of an automated gaming system, “enabling the user to pledge...” and “permitting the user to make a wager...” means interactively presenting the user with the option and receiving the user’s selection. This interactive session (i.e., the nature of the options presented and the action taken in response to a selection) is under the control of the machine. Finally, the final two steps recite automatically presenting the result (typically displaying the result on the display screen) and automatically making a contribution. These are concrete,

tangible results produced by the machine. It is true that, in the preferred embodiment, the making of the contribution is done electronically. I.e., rather than launch a mechanical robot carrying a wad of cash to the office of the charity, the contribution is preferably made by electronically debiting a certain sum from the account of the contributor and crediting it to the account of the charity.<sup>1</sup> It is well known that most financial transactions today take place electronically, without the actual exchange of physical cash. That is the reality of today's technological world. These transactions are no less real. Ask anyone who receives a paycheck or other deposit directly to his bank account, or who pays a bill electronically, whether the money is real. Applicant submits that it is.

### ***Indefiniteness***

Throughout the specification, applicant has used the word “pledge” to mean a promise to contribute a sum of money to an organization. This is consistent with one of the common usage meanings of the word “pledge” (although, as is well known, there are multiple meanings of the word). The claims are clearly using the word in that context. For example, claim 21 further recites reducing user proceeds by the amount of the pledge, and crediting the organization with the amount of the pledge. This makes sense only in the context of a pledge to contribute money.

Although the claims are sufficiently definite as written, in order to further prosecution herein and reduce the number of issues for appeal, applicant has added the phrase “of a contribution” following “pledge” in claims 21 and 28, pursuant to the Examiner's suggestion.

### ***Prior Art***

Applicant respectfully traverses the rejections of the claims on prior art grounds.

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<sup>1</sup> Although the hypothetical launching of a robot is a completely impractical means for doing so, applicant submits that it also falls within the claim scope of “automatically making the contribution...”

The claims were previously rejected as anticipated by *Interlotto*. Applicant addressed those rejections in response to the previous office action. The Examiner has not responded to the remarks made therein, which remain pertinent.<sup>2</sup> Those remarks are incorporated herein by reference, without necessarily repeating verbatim everything said in response to the previous office action.

Applicant has previously explained the rationale for his invention, but it bears repeating. Applicant's technique is intended to create and exploit an entirely new market niche in the field of charitable gambling. In this niche, charitable contributions are obtained by soliciting a contribution at a time when the potential contributor is likely to give, and by asking something the contributor won't miss. People are more likely to contribute money when they feel that they have an abundance, but this feeling almost always dissipates over time. Additionally, people are more likely to contribute something which is not really theirs, and which, if they should acquire it at some future time, would only be a windfall. Finally, most gamblers have faith in luck, and are likely to believe that their luck is improved if a portion of their winnings is pledged to charity. This belief can be reinforced by actually increasing the odds of winning if the gambler makes a pledge, as in an optional embodiment of the present invention.

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<sup>2</sup> In the final office action, the Examiner implies (paragraph 10) that applicant did not respond to the outstanding rejections. This is plainly untrue. Applicant submitted a response to the original office action dated March 19, 2004, in which the outstanding prior art rejections were thoroughly analyzed. Subsequently, the Examiner had several discussions with applicants' attorney regarding the use of the word "optionally" in claim 1, which the Examiner considered vague. As a result of those discussions, applicant submitted another amendment dated May 24, 2004, which removed the word "optionally" from claim 1 and made other minor corrections. The thrust of the discussions at that time was, that if the perceived issue of vagueness could be resolved, the claims would be allowable. Applicant therefore did not further address the earlier prior art rejections in the amendment of May 24, since that issued had already been addressed and apparently been resolved.

Applicants' invention exploits this niche by asking a gambler using an automated gaming apparatus to pledge a contribution which is a part of the gambler's winnings, should there be any. I.e., the pledged amount is a contingent amount, contingent on the gambler winning something. In this way, the gambler is induced to pledge something he won't miss, i.e., the winnings which he doesn't yet have, and may never have. The pledging in advance of the game (before the gambler knows whether there are winnings or not) exploits the gambler's belief in luck, by giving him a good "lucky" feeling for pledging a charitable contribution, and inducing him to believe he will be lucky (i.e., he will win) if he makes the pledge. Applicant's claims thus recite a combination of three crucial elements, not taught or suggested by the art: (a) the pledge is a user option, i.e., the user is not required to make the pledge in order to play the game; (b) the pledge is taken from the user's winnings, and is contingent upon the result of the gaming option, and (c) the pledge is input before the user is presented with the result of the gaming option.<sup>3</sup>

In general, there are numerous well-known fundraising techniques which involve charitable gambling, but none of these exploits the particular market niche envisioned by applicant. In many conventional techniques, the charity itself either sponsors the gambling activity (taking 100% of the net proceeds), or a third party gaming organization agrees to pay some fraction of the net proceeds to the charity, for public relations, legal or other reasons. Applicant's technique is not intended to supplant these existing techniques, but to create and exploit an entirely new market niche. Applicant's technique exploits human psychology to obtain a voluntary donation from the gambler, which is not a pre-condition to playing the game. The donation comes out of the

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<sup>3</sup> It is significant that the pledge be obtained before the user knows the result, but not necessarily before the machine determines the result. In a machine which determines a result internally based on a random process, such as a "slot machine" simulated on a digital computing device, the software might well determine the result internally before it asks the user for the pledge. In this case, the result would simply be stored internally, inaccessible to the user.

gambler's winnings, and therefore does not affect the profits of a for-profit casino.<sup>4</sup> Such a technique would be ideally suited to a for-profit casino, which, at no cost to itself, can raise money for charity and reap some of the collateral goodwill and favorable publicity by siphoning off a portion of the gamblers' winnings.

It is essential that this system be voluntary, i.e., it is optional with the gambler whether to make a particular pledge.<sup>5</sup> If the pledge is mandatory, then in effect the payout from the game is being reduced. It is well known that casinos advertise their payout ratios to attract players, and a casino which requires the donation of a portion of gambler winnings would have an unfavorable payout ratio vis-a-vis other casinos. By the same token, it is essential that the contribution come from the gambler's winnings, for if the charitable contribution came from the casino's net proceeds, then the casino's bottom line would be directly affected. Finally, it is essential that the pledge be made before the gambler knows the result, since he will be more disposed to make a pledge from money he doesn't yet have, and may furthermore believe he is more likely to obtain if he makes the pledge.

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<sup>4</sup> This is not strictly true where the gambler's odds of winning are increased by making the pledge. However, in a game such as slots, there are many ways to hide the actual increase in odds, so that this increase can be negligible. It is the psychological effect of the increase which is important. If it were necessary to maintain strict profit neutrality, the charity could return a small portion of its pledges to the casino to compensate for the alteration of odds.

<sup>5</sup> Although the word "voluntary" does not appear in the claims, applicant has taken the position that "pledging a contribution" is inherently a voluntary act. In previous discussions with the Examiner, the Examiner objected to the word "optionally" in claim 1 as vague. At that time, there was some discussion as to whether the word "voluntarily" should be substituted for "optionally". The Examiner ultimately took the position that "voluntarily" was not a necessary limitation, that being inherent in the concept of pledging a contribution. Applicant therefore assumes that this matter of interpretation is settled. For further discussion of this issue, applicant refers to the remarks accompanying the amendment of May 24. See note 2, *supra*.

Amended claim 1 recites:

1. A method of automating contributions in a gaming system, said method comprising:
  - (a) prompting a user with a gaming option in an automated gaming system;
  - (b) enabling the *user to pledge* a contribution to an organization, said *pledge being contingent on a result* of said gaming option, said pledge being input to said automated gaming system;
  - (c) permitting the user to make a wager and partake in the gaming option in said automated gaming system, said automated gaming system determining said result using said wager and gaming option;
  - (d) automatically presenting said result to said user from said automated gaming system, said step (d) being performed after said step (b); and
  - (e) automatically making the *contribution to the organization based on the pledge of step (b) and said result*. [emphasis added]

Claims 21 and 28, while not identical in scope, are analogous in that they recite the same essential elements

As discussed previously, *Interlotto* does not teach or suggest the essential claimed elements. *Interlotto* discloses a form of lottery, in which a portion of the net proceeds is donated to charity. This is essentially the same as any number of conventional techniques, in which a gambling organization donates a fixed portion of the net profits from gambling to a charity. *Interlotto* departs from this conventional shared proceeds charitable gambling in one respect: the players can vote to select a charity or charities to receive the money. Thus, there is some element of individual selection. However, *Interlotto* does not teach: (a) that individual users make voluntary pledges, which are not a pre-condition to playing the game, or (b) that the pledge is taken from the individual user's winnings and is contingent thereon.

*Jaffe* is a general discussion of various sweepstakes and similar activities. Among other things, *Jaffe* discloses that in some circumstances a sponsoring organization promises an opportunity to compete in a sweepstakes in response to a "charitable contribution". This is no

different from a charity which keeps all the net proceeds of a gambling activity. Specifically, the giving of the contribution is a pre-requisite for participating in the game. *Jaffe* further discloses that some sweepstakes sponsors simply ask for the contribution, but do not require it, to participate in the sweepstakes. But again, in this circumstance the contribution is not connected to the gaming activity. I.e., the giving of the contribution is not contingent on the user's winning anything, and does not come out of the user's proceeds from gambling.

Thus, neither *Interlotto* nor *Jaffe* teach or suggest the essential elements of applicant's claimed invention, i.e., that the pledge is optional and not required to participate in the gaming activity, that the pledged amount is contingent on the pledger winning the gaming activity, and that the pledge is paid automatically from the proceeds. Applicant's technique amounts to an entirely new form of charitable fundraising, which opens a market niche which until now has not existed.

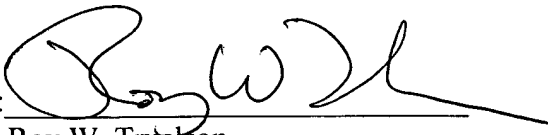
The remaining secondary references do not provide the essential teachings or suggestions lacking in the primary references. *Ziarno* is cited to show the automatic generation of receipts for tax purposes, but does not teach or suggest the specific form of charitable contributions from a gaming activity claimed by applicants. *Torango* is cited to show that a player can increase his odds of winning by contributing more to the game prize, as in buying multiple lottery tickets. Again, the essential limitations of applicant's invention discussed above, particularly the notion that the charitable pledge is contingent on winning something, is absent.

In view of the foregoing, applicant submits that the claims are now in condition for allowance and respectfully requests reconsideration and allowance of all claims. In addition, the

Examiner is encouraged to contact applicant's attorney by telephone if there are outstanding issues left to be resolved to place this case in condition for allowance.

Respectfully submitted,

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